

**IN THE UNITED STATES COURT OF APPEALS  
FOR THE FIFTH CIRCUIT**

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COVENANT CARE CALIFORNIA, LLC, and  
COVENANT CARE LA JOLLA, LLC

Petitioners,

v.

NATIONAL LABOR RELATIONS BOARD,

Respondent.

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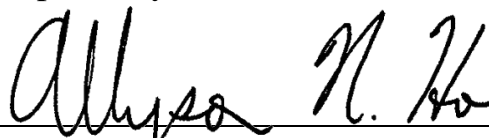
**PETITION FOR REVIEW**

Petitioners Covenant Care California, LLC and Covenant Care La Jolla, LLC petition this Court under Federal Rule of Appellate Procedure 15(a) for review of the Decision and Order of the National Labor Relations Board entered on December 22, 2015 in NLRB Case No. 21-CA-090894. A copy of the Board's Decision and Order, reported at 363 NLRB No. 80, is attached.

This Court has jurisdiction because the Board's decision is a final order within the meaning of 29 U.S.C. § 160(f) of the National Labor Relations Act, and the Petitioners are aggrieved parties. Venue properly lies in this Court under 29 U.S.C. § 160(f) because Petitioners transact business within the geographical boundaries of this circuit.

Because the Board's Decision and Order is contrary to law, Petitioners respectfully request that the Court grant the petition, review the Board's Decision and Order, set it aside.

Respectfully submitted,

A handwritten signature in black ink, reading "Allyson N. Ho", written over a horizontal line.

Allyson N. Ho  
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*Counsel for Petitioners Covenant Care  
California, LLC and Covenant Care La  
Jolla, LLC*

Date: April 12, 2016

**CERTIFICATE OF SERVICE**

I hereby certify that on April 12, 2016, a true and correct date-stamped copy of the foregoing Petition for Review, with attachment, was served by electronic mail and overnight mail on the following:

Linda J. Dreeben, Esq., Deputy Associate General  
Counsel, Appellate and Supreme Court Litigation Branch

Richard F. Griffin, Jr., General Counsel  
Jennifer Abruzzo, Deputy General Counsel

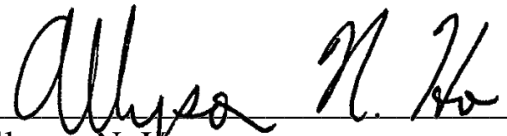
National Labor Relations Board  
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Washington, D.C. 20570-0001

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richard.griffin@nlrb.gov  
jennifer.abruzzo@nlrb.gov

I hereby certify that on April 12, 2016, a true and correct date-stamped copy of the foregoing Petition for Review, with attachment, was served by electronic mail and overnight mail on the following:

Olivia Garcia, Regional Director  
Robert McKay, Esq., Counsel for the General Counsel  
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\_\_\_\_\_  
Allyson N. Ho

NOTICE: This opinion is subject to formal revision before publication in the bound volumes of NLRB decisions. Readers are requested to notify the Executive Secretary, National Labor Relations Board, Washington, D.C. 20570, of any typographical or other formal errors so that corrections can be included in the bound volumes.

**Covenant Care California, LLC and Covenant Care La Jolla, LLC and Lerma Vera.** Case 21–CA–090894

December 22, 2015

**DECISION AND ORDER**

BY CHAIRMAN PEARCE AND MEMBERS HIROZAWA  
AND MCFERRAN

On December 20, 2013, Administrative Law Judge Gerald A. Wacknov issued the attached decision. The Respondent filed exceptions and a supporting brief, and the General Counsel filed an answering brief and a cross-exception.

The National Labor Relations Board has delegated its authority in this proceeding to a three-member panel.<sup>1</sup>

The judge found, applying the Board's decision in *D. R. Horton, Inc.*, 357 NLRB No. 184 (2012), enf. denied in part 737 F.3d 344 (5th Cir. 2013), that the Respondent violated Section 8(a)(1) of the Act by maintaining and enforcing a Mutual Arbitration Agreement (Arbitration Agreement) that requires employees, as a condition of employment, to waive their rights to pursue class or collective actions involving employment-related claims in all forums, whether arbitral or judicial. In *Murphy Oil USA, Inc.*, 361 NLRB No. 72 (2014), enf. denied in part No. 14-60800, \_\_\_ F.3d \_\_\_, 2015 WL 6457613 (5th Cir. October 26, 2015), the Board reaffirmed the relevant holdings of *D. R. Horton*, supra. The Board has considered the judge's decision and the record in light of the exceptions, cross-exception, and briefs and has decided, based on the judge's application of *D. R. Horton* and on our subsequent decision in *Murphy Oil*, to affirm the judge's rulings, findings, and conclusions<sup>2</sup> and to adopt

<sup>1</sup> Member Miscimarra is recused and took no part in the consideration of this case.

<sup>2</sup> The Respondents argue that their arbitration agreement includes an exemption allowing employees to file charges with administrative agencies, including with the Board, and thus does not, as in *D. R. Horton*, unlawfully prohibit them from collectively pursuing litigation of employment claims in all forums. See *Owen v. Bristol Care, Inc.*, 702 F.3d 1050, 1053–1054 (8th Cir. 2013). We reject this argument for the reasons stated in *SolarCity Corp.*, 363 NLRB No.83 (2015).

The Respondents also contend that Regional Director Olivia Garcia was without authority to issue the complaint in this case because the Board appointed her as Regional Director for Region 21 on January 6, 2012, when the Board lacked a quorum after the expiration of former Board Member Craig Becker's term. This contention is without merit. Although Regional Director Garcia's appointment was announced on January 6, 2012, the Board approved the appointment on December 22, 2011, at which time it had a valid quorum. See *Mathew Enterprise, Inc. v. NLRB*, 771 F.3d 812, 813 (D.C. Cir. 2014) ("[T]he President's

the recommended Order as modified and set forth in full below.<sup>3</sup>

**ORDER**

The National Labor Relations Board orders that the Respondents, Covenant Care California, LLC, Aliso Viejo, California, and Covenant Care La Jolla, LLC, La Jolla, California, their officers, agents, successors, and assigns, shall

1. Cease and desist from

(a) Maintaining and/or enforcing a mandatory arbitration agreement that requires employees, as a condition of employment, to waive the right to maintain class or collective actions in all forums, whether arbitral or judicial.

(b) Maintaining a rule that prohibits the discussion of terms and conditions of employment by requiring employees to keep information about arbitral proceedings confidential.

(c) In any like or related manner interfering with, restraining, or coercing employees in the exercise of the rights guaranteed to them by Section 7 of the Act.

2. Take the following affirmative action necessary to effectuate the policies of the Act.

(a) Rescind the Mutual Arbitration Agreement (Arbitration Agreement) in all of its forms, or revise it in all of its forms to make clear to employees that the Arbitration Agreement does not constitute a waiver of their right to

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recess appointment of Member Becker was constitutionally valid."); *Gestamp South Carolina, L.L.C. v. NLRB*, 769 F.3d 254, 256 (4th Cir. 2014) (same).

<sup>3</sup> Consistent with our decision in *Murphy Oil*, supra at 21, we amend the judge's remedy and shall order the Respondents to reimburse the Charging Party and any other plaintiffs for all reasonable expenses and legal fees, with interest, incurred in opposing the Respondents' unlawful motion in State court to compel arbitration of the class or collective claims. See *Bill Johnson's Restaurants, Inc. v. NLRB*, 461 U. S. 731, 747 (1983) ("If a violation is found, the Board may order the employer to reimburse the employees whom he had wrongfully sued for their attorneys' fees and other expenses" as well as "any other proper relief that would effectuate the policies of the Act."). Interest shall be computed in the manner prescribed in *New Horizons*, 283 NLRB 1173 (1987), compounded daily as prescribed in *Kentucky River Medical Center*, 356 NLRB No. 8 (2010). See *Teamsters Local 776 (Rite Aid)*, 305 NLRB 832, 835 fn. 10 (1991) ("[I]n make-whole orders for suits maintained in violation of the Act, it is appropriate and necessary to award interest on litigation expenses."), enf'd. 973 F.2d 230 (3d Cir. 1992).

We shall also amend the judge's remedy to order the Respondents to notify the State court that they have rescinded or revised the Arbitration Agreement, to inform the court that they no longer oppose the Charging Party's lawsuit on the basis of the Arbitration Agreement, and to post a notice at all of the facilities where the Arbitration Agreement has been or is in effect. *Guardsmark, LLC*, 344 NLRB 809, 812 (2005), enf'd. in relevant part 475 F.3d 369 (D.C. Cir. 2007). Finally, we shall modify the judge's recommended Order to conform to the amended remedy, to the judge's unfair labor practice findings, and to the Board's standard remedial language, and we shall substitute new notices to conform to the Order as modified.

maintain employment-related joint, class, or collective actions in all forums, and that it does not prohibit employees' discussion of terms and conditions of employment by requiring them to keep information about arbitral proceedings confidential.

(b) Notify all applicants and current and former employees who were required to sign or otherwise become bound to the Arbitration Agreement in any form that it has been rescinded or revised, and, if revised, provide them a copy of the revised agreement.

(c) Notify the Superior Court of California, County of San Diego, in the case of *Lerma Vera v. Covenant Care California, LLC*; *Covenant Care La Jolla, LLC*, Case No. 37-2012-00100591-CU-WT-CTL, that it has rescinded or revised the mandatory arbitration agreement upon which it based its motion to dismiss or stay *Lerma Vera*'s class-action lawsuit and to compel arbitration, and inform the court that it no longer opposes the lawsuit on the basis of the Arbitration Agreement.

(d) In the manner set forth in this decision, reimburse *Lerma Vera* and any other plaintiffs for any reasonable attorneys' fees and litigation expenses that they may have incurred in opposing the Respondents' motion to dismiss or stay the class lawsuit and compel arbitration.

(e) Within 14 days after service by the Region, post at their La Jolla, California facility copies of the attached notice marked "Appendix A," and at all other facilities where the unlawful Arbitration Agreement is or has been in effect, copies of the attached notice marked "Appendix B."<sup>4</sup> Copies of the notices, on forms provided by the Regional Director for Region 21, after being signed by the Respondents' authorized representative, shall be posted by the Respondents and maintained for 60 consecutive days in conspicuous places, including all places where notices to employees are customarily posted. In addition to physical posting of paper notices, notices shall be distributed electronically, such as by email, posting on an intranet or an internet site, and/or other electronic means, if the Respondents customarily communicate with their employees by such means. Reasonable steps shall be taken by the Respondents to ensure that the notices are not altered, defaced, or covered by any other material. If the Respondents have gone out of business or closed the facility involved in these proceedings, the Respondents shall duplicate and mail, at their own expense, a copy of the notice marked "Appendix A" to all current employees and former employees employed by

the Respondents at their La Jolla, California facility at any time since April 10, 2012. If the Respondents have gone out of business or closed any facilities other than the one involved in these proceedings, the Respondents shall duplicate and mail, at their own expense, a copy of the notice marked "Appendix B" to all current employees and former employees employed by the Respondents at those facilities at any time since April 10, 2012.

(f) Within 21 days after service by the Region, file with the Regional Director for Region 21 a sworn certification of a responsible official on a form provided by the Region attesting to the steps that the Respondents have taken to comply.

Dated, Washington, D.C. December 22, 2015

\_\_\_\_\_  
Mark Gaston Pearce, Chairman

\_\_\_\_\_  
Kent Y. Hirozawa, Member

\_\_\_\_\_  
Lauren McFerran, Member

(SEAL) NATIONAL LABOR RELATIONS BOARD

#### APPENDIX A

#### NOTICE TO EMPLOYEES

#### POSTED BY ORDER OF THE

#### NATIONAL LABOR RELATIONS BOARD

#### An Agency of the United States Government

The National Labor Relations Board has found that we violated Federal labor law and has ordered us to post and obey this notice.

#### FEDERAL LAW GIVES YOU THE RIGHT TO

Form, join, or assist a union

Choose representatives to bargain with us on your behalf

Act together with other employees for your benefit and protection

Choose not to engage in any of these protected activities.

WE WILL NOT maintain and/or enforce a mandatory arbitration agreement that requires our employees, as a condition of employment, to waive the right to maintain class or collective actions in all forums, whether arbitral or judicial.

<sup>4</sup> If this Order is enforced by a judgment of a United States court of appeals, the words in the notices reading "Posted by Order of the National Labor Relations Board" shall read "Posted Pursuant to a Judgment of the United States Court of Appeals Enforcing an Order of the National Labor Relations Board."

COVENANT CARE CALIFORNIA, LLC

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WE WILL NOT maintain a rule that prohibits the discussion of terms and conditions of employment by requiring our employees to keep information about arbitral proceedings confidential.

WE WILL NOT in any like or related manner interfere with, restrain, or coerce you in the exercise of the rights listed above.

WE WILL rescind the Mutual Arbitration Agreement (Arbitration Agreement) in all of its forms, or revise it in all of its forms to make clear that the Arbitration Agreement does not constitute a waiver of your right to maintain employment-related joint, class, or collective actions in all forums, and that it does not prohibit your discussion of terms and conditions of employment by requiring you to keep information about arbitral proceedings confidential.

WE WILL notify all applicants and current and former employees who were required to sign or otherwise become bound to the Arbitration Agreement in any form that the Arbitration Agreement has been rescinded or revised and, if revised, WE WILL provide them a copy of the revised agreement.

WE WILL notify the court in which Lerma Vera filed her class-action lawsuit that we have rescinded or revised the Arbitration Agreement upon which we based our motion to dismiss or stay her lawsuit and compel arbitration, and WE WILL inform the court that we no longer oppose Lerma Vera's class-action lawsuit on the basis of that agreement.

WE WILL reimburse Lerma Vera and any other plaintiffs for any reasonable attorneys' fees and litigation expenses that they may have incurred in opposing our motion to dismiss the class-action lawsuit and compel arbitration.

COVENANT CARE CALIFORNIA, LLC AND  
COVENANT CARE LA JOLLA, LLC

The Board's decision can be found at [www.nlrb.gov/case/21-CA-090894](http://www.nlrb.gov/case/21-CA-090894) or by using the QR code below. Alternatively, you can obtain a copy of the decision from the Executive Secretary, National Labor Relations Board, 1015 Half Street, S.E., Washington, D.C. 20570, or by calling (202) 273-1940.



#### APPENDIX B

#### NOTICE TO EMPLOYEES POSTED BY ORDER OF THE NATIONAL LABOR RELATIONS BOARD An Agency of the United States Government

The National Labor Relations Board has found that we violated Federal labor law and has ordered us to post and obey this notice.

#### FEDERAL LAW GIVES YOU THE RIGHT TO

- Form, join, or assist a union
- Choose representatives to bargain with us on your behalf
- Act together with other employees for your benefit and protection
- Choose not to engage in any of these protected activities.

WE WILL NOT maintain and/or enforce a mandatory arbitration agreement that requires our employees, as a condition of employment, to waive the right to maintain class or collective actions in all forums, whether arbitral or judicial.

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WE WILL NOT in any like or related manner interfere with, restrain, or coerce you in the exercise of the rights listed above.

WE WILL rescind the Mutual Arbitration Agreement (Arbitration Agreement) in all of its forms, or revise it in all of its forms to make clear that the Arbitration Agreement does not constitute a waiver of your right to maintain employment-related joint, class, or collective actions in all forums, and that it does not prohibit your discussion of terms and conditions of employment by requiring you to keep information about arbitral proceedings confidential.

WE WILL notify all applicants and current and former employees who were required to sign or otherwise become bound to the Arbitration Agreement in any form that the Arbitration Agreement has been rescinded or revised and, if revised, WE WILL provide them a copy of the revised agreement.

COVENANT CARE CALIFORNIA, LLC AND  
COVENANT CARE LA JOLLA, LLC

The Board's decision can be found at [www.nlrb.gov/case/21-CA-090894](http://www.nlrb.gov/case/21-CA-090894) or by using the QR code below. Alternatively, you can obtain a copy of the decision from the Executive Secretary, National Labor Relations Board, 1015 Half Street, S.E., Washington, D.C. 20570, or by calling (202) 273-1940.



*Robert MacKay, Esq.*, for the General Counsel.  
*Ross H. Friedman, Esq. (Morgan, Lewis & Brocius, LLP)*, of  
Chicago, Illinois, for the Respondents.  
*Lee R. Feldman, Esq. (The Feldman Law Firm)*, of Los Angeles,  
California, for the Charging Party.

#### DECISION

##### STATEMENT OF THE CASE

GERALD A. WACKNOV, Administrative Law Judge. This matter is based on a stipulated record. The initial charge in this matter was filed on October 9, 2012. Since the submission of this matter to me on July 15, 2013, briefs have been received on about August 21, 2013, from counsel for the General Counsel (the General Counsel), and counsel for the Respondents. Upon the stipulated record, and in consideration of the briefs submitted, I make the following

##### FINDINGS OF FACT

At all material times, Respondent Covenant Care California, LLC and Respondent Covenant Care La Jolla, LLC have been California corporations, with places of business located in Aliso Viejo, California, and La Jolla, California, respectively, and are engaged in operating skilled-nursing and rehabilitation centers. In the conduct of their business operations, each Respondent annually derives gross revenues in excess of \$250,000 and purchases and receives goods valued in excess of \$5000 direct-

ly from points outside California. It is admitted and I find that each Respondent is an employer engaged in commerce within the meaning of Section 2(2), (6), and (7) of the National Labor Relations Act (the Act), and a health care institution within the meaning of Section 2(14) of the Act.

#### II. ALLEGED UNFAIR LABOR PRACTICES

##### A. Issues

The principal issues in this proceeding are whether the Respondent has violated and is violating Section 8(a)(1) of the Act by maintaining a dispute resolution agreement, entitled Mutual Arbitration Agreement (the Agreement), requiring individual mandatory arbitration and precluding employees from engaging in concerted activity by filing collective class actions; by attempting to enforce the Agreement in State court litigation; and by including language in the Agreement that restricts employees from disclosing the matters concerning arbitration proceedings with other individuals.

##### B. Facts

The facts are not in dispute. The stipulation of facts entered into by the parties to this proceeding, together with the Agreement and other accompanying exhibits, in pertinent part, are as follows: Lerma Vera, the Charging Party, a former employee of the Respondents, worked for the Respondents until August 1, 2011, and was required to sign the Agreement as a condition of employment with the Respondents at the La Jolla, California facility on or about September 11, 2008. The Agreement by its terms requires employees to resolve all current and future employment-related disputes exclusively through individual arbitration proceedings, and to keep confidential the existence, content, and outcome of all arbitration proceedings. The Agreement provides that it should not be interpreted to restrict the filing of charges or complaints with the National Labor Relations Board (the Board) or any other Federal, State, or local administrative agency. At all material times, and since at least April 10, 2012, signing the Agreement has been a required condition of employment for the Respondents' employees. Since at least September 7, 2012, the Respondents have enforced provisions of the Agreement by moving to compel arbitration and to dismiss or stay State court proceedings in a class-action wage-and-hour complaint filed by Vera. The Respondents' foregoing motion was litigated in the Superior Court of California, County of San Diego, and was granted by the court on February 5, 2013. The court's determination is currently upon appeal.

##### Analysis and Conclusions

*D. R. Horton, Inc.*, 357 NLRB No. 184 (2012), is the controlling Board decision in this matter. It is currently pending review before the Fifth Circuit Court of Appeals, having been argued on February 5, 2013. While the Respondent maintains that *D. R. Horton* was wrongly decided, I am required to follow it unless reversed by the Supreme Court. *Waco, Inc.*, 273 NLRB 746, 749 fn. 14 (1984); *Los Angeles New Hospital*, 244 NLRB 960, 962 fn. 4 (1979), enf'd. 640 F.2d 1017 (9th Cir. 1981); *Pathmark Stores, Inc.*, 342 NLRB 378, fn. 1 (2004).



The Board determined in *D. R. Horton* that as a condition of employment “employers may not compel employees to waive their NLRA right to collectively pursue litigation of employment claims in all forums arbitral and judicial.” 357 NLRB No. 184, slip op. at 12. As the Respondent has stipulated herein, the Agreement does precisely that.<sup>2</sup> Accordingly, the Agreement is facially unlawful.

The complaint also alleges that the Agreement interferes with employees Section 7 right to share and discuss wages, hour, and other terms and conditions of employment with each other.<sup>3</sup> The Respondent argues that the language only applies to the actual proceedings before the arbitrator, and does not restrict employees from discussing issues underlying the arbitration, such as wage and hour matters. However, the actual proceedings before the arbitrator and the result of the arbitration, I find, are relevant matters which employees are entitled to collectively discuss and evaluate before bringing individual arbitration claims on their own behalf. Accordingly, I find this restriction is unlawful as alleged. *Double Eagle Hotel & Casino*, 341 NLRB 112, 114–115 (2004), enfd. 414 F.3d 1249 (10th Cir. 2005), cert denied 546 U.S. 1170 (2006); *Phoenix Transit System*, 337 NLRB 510 (2002), enfd. per curiam 63 Fed. Appx. 524 (D.C. Cir. 2003).

The Respondent maintains the charge is time-barred by Section 10(b) of the Act, having been filed more than 6 months after September 11, 2008, the date Vera was required to sign the Agreement. Because, the Agreement is facially invalid, currently remains in effect, and, in addition, the Respondents are currently attempting to enforce it against Vera before the San Diego County Superior Court, it is clear that the charge is not time-barred. *Control Services*, 305 NLRB 435, 435 fn. 2 442 (1991), enfd. mem. 961 F.2d 1568 (3d Cir. 1992); *Register-Guard*, 351 NLRB 1110, 1110 fn. 2 (2007). Cf. *Local Lodge No. 1424 v. NLRB*, 362 U.S. 411 (1960).

The Respondent maintains that the complaint is barred by the First Amendment to the extent it seeks to prevent the Respondents from petitioning a State court to dismiss Vera’s class-action wage-and-hour suit. The Board has determined that the Agreement is facially invalid and unlawful. Accordingly, a Board order requiring the Respondents to withdraw its opposition to Vera’s claim in State court is compatible with established precedent. *Bill Johnson’s Restaurants*, 461 U.S. 731, 737 fn. 5 (1983); *Loehmann’s Plaza*, 305 NLRB 663, 671 (1991); *Federal Security, Inc.*, 336 NLRB 703 (2001), remanded on other grounds 202 WL31234984 (D.C. Cir. 2002).

The Respondent maintains the Agreement is not unlawful because it specifically permits employees to file charges or complaints with other administrative agencies. The gravamen of the violation herein is the restriction of employee’s rights to

engage in concerted activity by, as a condition of employment, collectively pursuing litigation of employment claims in all forums arbitral and judicial. Here, the Respondent is attempting to limit those rights by permitting only charges or complaints before administrative agencies. I find the Respondent’s argument to be without merit.

The Respondent maintains the Board did not have the authority to decide *D. R. Horton* due to the recess appointment issue regarding the composition of the Board. See *Noel Canning v. NLRB*, 705 F.3d 490, 2013 WL 276024 (D.C. Cir. 2013). This matter is currently being litigated in other forums. The Board has noted that that until the matter is ultimately decided it shall continue to fulfill its responsibilities under the Act. *Belgrove Post Acute Care Center*, 359 NLRB No. 77, slip op. 1 fn. 1(2013).

#### CONCLUSIONS OF LAW AND RECOMMENDATIONS

The Respondents are employers engaged in commerce within the meaning of Section 2(2), (6), and (7) of the Act, and health care institutions within the meaning of Section 2(14) of the Act.

The Respondents have violated Section 8(a)(1) of the Act as alleged.

#### THE REMEDY

Having found that the Respondents have engaged in certain unfair labor practices, I recommend that they be required to cease and desist therefrom and from in any other like or related manner interfering with, restraining, or coercing employees in the exercise of their rights under Section 7 of the Act. It is also recommended that the Respondents reimburse Vera for attorney fees and litigation expenses directly related to opposing the Respondents’ unlawful petition to compel individual arbitration. See *Bill Johnson’s Restaurants*, supra at 747. I shall also recommend the posting of an appropriate notice, attached hereto as an “Appendix,” at the locations where the Agreement has been in effect.

#### ORDER<sup>4</sup>

The Respondents, Covenant Care California, LLC and Covenant Care La Jolla, LLC, Aliso Viejo and La Jolla, California, their officers, agents, successors, and assigns, shall

1. Cease and desist from

(a) Maintaining the Mutual Arbitration Agreement that requires employees to waive their right to maintain class or collective action in all forums, whether arbitral or judicial.

(b) Maintaining a provision in the Mutual Arbitration Agreement that restricts the right of employees to share information regarding arbitration proceedings.

(c) Restricting the right of employees to engage in concerted activity by attempting to enforce unlawful arbitration agreements in judicial forums.

<sup>2</sup> The Agreement expressly provides: “In exchange and consideration of your continuing employment, you and Covenant agree to resolve any and all claims arising out of or relating to your employment application or candidacy for employment, or if hired, any claim related to your employment or employment termination, to final and binding arbitration before a neutral arbitrator.”

<sup>3</sup> The Agreement provides as follows: “The proceedings before the arbitrator and any award or remedy shall be of a private nature and kept confidential.”

<sup>4</sup> If no exceptions are filed as provided by Sec. 102.46 of the Board’s Rules and Regulations, the findings, conclusions, and recommended Order shall, as provided in Sec. 102.48 of the Rules, be adopted by the Board and all objections to them shall be deemed waived for all purposes.

(d) In any like or related manner interfering with, restraining, or coercing employees in the exercise of the rights guaranteed them by Section 7 of the Act.

2. Take the following affirmative action necessary to effectuate the purposes of the Act.

(a) Rescind or revise the Mutual Arbitration Agreement that requires employees to waive their right to maintain class or collective action in all forums, whether arbitral or judicial.

(b) Advise all employees, by all means that employees are customarily advised of matters pertaining to their terms and conditions of employment, that the Agreement has been rescinded or revised and that employees are no longer prohibited from bringing and participating in class action lawsuits against the Respondents.

(c) Withdraw all objections filed in judicial forums to the right of employees to engage in class or collective action, and reimburse the Charging Party for attorney fees and litigation expenses directly related to opposing the Respondents' unlawful petition to compel individual arbitration.

(d) Within 14 days after service by the Region, post at all locations where notices to employees are customarily posted, and transmit to employees by all means that employees are customarily advised of matters pertaining to their terms and conditions of employment, copies of the attached notice marked "Appendix."<sup>5</sup> Copies of the notice, on forms provided by the Regional Director for Region 21, after being duly signed by Respondents' representative(s), shall be posted and electronically transmitted to employees immediately upon receipt thereof, and shall remain posted for 60 consecutive days thereafter. Reasonable steps shall be taken by Respondent to ensure that the posted notices are not altered, defaced, or covered by any other material.

(e) Within 21 days after service by the Regional Office, file with the Regional Director for Region 21 sworn certifications of responsible officials on forms provided by the Region attesting to the steps that the Respondents have taken to comply.

Dated at Washington, D.C. December 20, 2013

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<sup>5</sup> If this Order is enforced by a judgment of a United States court of appeals, the words in the notices reading "Posted by Order of the National Labor Relations Board" shall read "Posted Pursuant to a Judgment of the United States Court of Appeals Enforcing an Order of the National Labor Relations Board."

## APPENDIX

### NOTICE TO EMPLOYEES

#### POSTED BY ORDER OF THE

#### NATIONAL LABOR RELATIONS BOARD

#### An Agency of the United States Government

The National Labor Relations Board has found that we violated Federal labor law and has ordered us to post and obey this notice.

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Choose representatives to bargain with us on your behalf

Act together with other employees for your benefit and protection

Choose not to engage in any of these protected activities.

WE WILL NOT maintain a mandatory arbitration agreement that waives the right to maintain class or collective actions in all forums, whether arbitral or judicial.

WE WILL NOT maintain an arbitration agreement that restricts the right of employees to share information regarding arbitration proceedings.

WE WILL NOT interfere with the right of employees to engage in concerted activity by attempting to enforce unlawful arbitration agreements in judicial forums and WE WILL withdraw all objections thereto.

WE WILL NOT in any like or related manner interfere with, restrain, or coerce you in the exercise of the rights guaranteed you by Federal labor law.

WE WILL rescind or revise the aforementioned arbitration agreement to make it clear to employees that the agreement does not constitute a waiver of their right in all forums to maintain class or collective actions.

WE WILL notify employees of the rescinded or revised agreement, including providing them with a copy of the revised agreement or specific notification that the agreement has been rescinded.

COVENANT CARE CALIFORNIA, LLC AND COVENANT CARE LA JOLLA, LLC